



Request for Proposals for the Kentucky Clean Diesel Grant Program

**Issued by:
Kentucky Division for Air Quality
December 9, 2009**

**Project Proposal Deadline:
January 15, 2010**

Submit completed proposals electronically to:

**Shea Hogan
Shea.Hogan@ky.gov**

SUMMARY

The Kentucky Division for Air Quality (DAQ) announces the availability of funds and solicits proposals for projects to implement diesel emissions reduction strategies in Kentucky. Approximately \$235,000 is available through this competitive funding opportunity.

Background

Reducing emissions from diesel engines is one of the most important air quality challenges facing the country. In 2009 alone, diesel emissions from the approximately 20 million mobile-source diesel engines in operation nationwide will account for approximately 300,000 tons of particulate matter (PM) emissions and 6.4 million tons of nitrogen oxides (NO_x), which contributes to the formation of ozone. Even with more stringent heavy-duty highway and non-road engine standards taking effect over the next decade, millions of diesel engines already in use – known as the “Legacy Fleet” – will continue to emit large amounts of PM, NO_x, and toxic air pollutants. These pollutants contribute to a range of public health problems, including asthma, lung cancer, and many serious cardiac and respiratory diseases. These health problems result in thousands of premature deaths, millions of lost work and school days, and numerous additional negative health and economic impacts annually.

To meet the challenge of reducing exhaust from older diesel engines, DAQ has been awarded \$235,000 to administer the 2009 Kentucky Clean Diesel Grant Program through the U.S. Environmental Protection Agency’s (EPA) State Clean Diesel Grant Program. This program will assist entities across Kentucky in building sustainable diesel emission reduction programs, thus adhering to the Division’s mission to protect human health and the environment by achieving and maintaining acceptable air quality.

Funding

The total estimated funding for this competitive opportunity is approximately \$235,000. Funding requests must fall within the eligible funding range of \$25,000 to \$150,000 per proposal. Proposals which request DAQ assistance funds below or in excess of the applicable amounts specified are not eligible and will not be reviewed.

This funding may only be used to fund the eligible diesel emission reduction solutions described below. DAQ will not fund additional project costs, such as administrative costs. Awards made through this grant program may not be used by the applicant to make sub-awards or fund partnerships. Funds received must be utilized directly by the applying party.

Eligible Entities

Under this solicitation, the following entities are eligible to apply for assistance: universities, school districts, private organizations, businesses, nonprofits, individuals, and any county, city, or other local government agency located in the Commonwealth of Kentucky that owns and operates its own eligible diesel vehicles, engines, and/or equipment.

Eligible Vehicles, Engines, and Equipment

A single proposal may target multiple fleets, fleet types, and/or diesel emission reduction solutions. Projects may include, but are not limited to, diesel emission reduction solutions from the following heavy duty diesel emission source types:

- Buses (transit or school);
- Medium-duty or heavy-duty trucks;
- Marine Engines;
- Locomotives; and
- Non-road engines, equipment or vehicles used in:
 - Construction;
 - Handling of cargo (including at a port or airport);
 - Agriculture; or
 - Mining.

NOTE: New emission standards in the highway sector took effect in 2007 and will affect future model year highway heavy-duty vehicles and engines. For non-road engines, new EPA standards began in 2008 and are currently being phased in. Emission reductions from retrofits of post-2007 vehicles, engines and equipment will only be considered if the technologies, devices or systems proposed will achieve significant emissions reductions beyond those required by EPA regulations at the time of engine certification.

Eligible Diesel Emission Reduction Solutions

Projects funded through this grant program must include one or more of the following diesel emissions reduction solutions that utilize a certified engine configuration and/or a verified technology. A list of eligible EPA-verified technologies is available at www.epa.gov/otaq/retrofit/verif-list.htm, and a list of eligible California Air Resources Board (CARB) verified technologies is available at <http://www.arb.ca.gov/diesel/verdev/verdev.htm>. DAQ is particularly interested in projects that combine technologies in order to further reduce emissions. See Appendix 1 for a more detailed description of these eligible diesel emission reduction solutions.

The list of eligible diesel emission reduction solutions includes:

- Verified Retrofit Technologies
 - DAQ will fund up to 100% of the cost (labor and equipment) of eligible exhaust controls and engine upgrades.
- Verified Idle Reduction Technologies
 - DAQ will fund up to 100% of the cost (labor and equipment) of eligible idle reduction technologies.
- Verified Aerodynamic Technologies and Low Rolling Resistance Tires
 - DAQ will fund up to 100% of the cost (labor and equipment) of eligible aerodynamic and tire technologies.
- Certified Engine Repower
 - DAQ will fund up to 75% of the cost (labor and equipment) of an eligible engine repower.
- Certified Vehicle/Equipment Replacement
 - DAQ will fund the incremental cost of a newer, cleaner vehicle or piece of equipment, up to 25% of the cost of an eligible replacement vehicle or piece of equipment (except for school buses).

Project Selection Criteria

Only those proposals that meet the threshold criteria of this RFP will be evaluated according to the criteria set forth below. Each proposal will be rated under a points system based on a total of 100 points possible.

- The location of the planned project. Priority will be given to projects that will be executed in areas of the state not meeting the National Ambient Air Quality Standards (NAAQS) for particulate matter and/or ozone, or those areas that may be at risk of not meeting more stringent future standards (35 points)
- The emissions reductions and cost effectiveness of the project (see Appendix 2) (20 points)
- Level of matching funds, including in-kind contributions, provided to assist in the overall cost of the project (15 points)
- The applicant's staff expertise and ability to successfully manage the grant and implement the proposed project (15 points)
- The applicant's commitment to project sustainability and additional "green" practices within their organization (15 points)

Project Selection Process

Awards will be made on a competitive basis. Only complete applications submitted by the application deadline will be considered. A review committee consisting of Division staff will

review each proposal and will assign points to each proposal based on the criteria described above. Proposals will then be ranked and funding recommendations made according to ranking.

DAQ reserves the right to reject any or all proposals or to make fewer awards than anticipated. In appropriate circumstances, DAQ reserves the right to partially fund proposals by funding discrete portions or phases of proposed projects. If DAQ decides to partially fund a project it will do so in a manner that does not prejudice any applicants or affect the basis upon which the proposal, or portion thereof, was evaluated and selected for award, thereby maintaining the integrity of the competition and selection process.

Important Dates

All grant work must be performed in accordance with the timeline detailed below. All selected applicants must be able to complete their projects, submit invoices, and provide a final report no later than September 30, 2010.

Date	Activity
December 9, 2009	RFP opens
December 17, 2009	Q & A conference call for all interested applicants
January 15, 2010	Proposals due
February 1, 2010	Anticipated notification of selection
March 9, 2010	Anticipated Award Date & Project Start Date
March 15, 2010	Issue RFP to solicit bids from vendors
April 20, 2010	Select vendors for equipment purchases
May 20, 2010	Begin installation of equipment
July 10, 2010	Interim progress report due
September 15, 2010	All equipment installations complete
September 30, 2010	End of project period & final report due

Proposal Format

Applicants can download all grant information and application forms from DAQ's website at www.air.ky.gov. To obtain a hard copy of materials, please contact Shea Hogan at 502-564-3999 or shea.hogan@ky.gov.

The proposal package **must** include the following materials:

- Completed Project Narrative (See Appendix 3)
- Fleet Description (See Appendix 4, tab "AFD")

Optional attachments may include:

- Resumes for all project officers and key personnel
- Letters of Support from your organization's upper management

Proposal Submittal

The closing date for receipt of proposals is Friday, January 15, 2010. All submissions must be received by DAQ by 4:30 p.m. EST on this date in order to be considered for funding.

Project proposals must be submitted electronically in their original formats (Word format for the Project Narrative and Excel format for the Fleet Description). Signed letters may be scanned and emailed in conjunction with submittal of other application materials.

All materials should be submitted to Shea Hogan at shea.hogan@ky.gov by the application deadline. If you are having trouble submitting electronically, please contact Ms. Hogan at (502) 564-3999 to discuss alternative methods of submittal, which may be accepted under certain circumstances with prior approval.

Appendix 1: Eligible Diesel Emission Reduction Solutions

Appendix 2: Diesel Emissions Quantifier (DEQ) Instructions

Appendix 3: Project Narrative Template

Appendix 4: Fleet Description Template